

**Interim Financial Statements**  
**Statement of Financial Position**  
«31» March 2020

**HSBC Bank Armenia CJSC**  
Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

<i>In thousands of Armenian Drams</i>	<b>31.03.2020</b>	<b>31.12.2019</b> <b>Audited</b>
<b>Assets</b>		
Cash and cash equivalents	34,493,946	39,454,938
Loans and advances to banks	18,328,708	17,278,393
Investments in debt securities	27,776,465	24,456,299
Investments in equity securities	32,093	32,069
Loans and advances to customers	129,183,858	118,921,797
Other assets	8,457,686	7,996,334
Right of Use assets	774,079	874,025
Deferred income tax asset	498,067	498,067
Property, equipment and intangible assets	3,933,741	4,064,431
<b>Total assets (See Note1)</b>	<b>223,478,643</b>	<b>213,576,353</b>
<b>Liabilities</b>		
Due to other banks	23,751	26,457
Current accounts and deposits from customers	171,192,005	162,843,540
Current tax liability	291,413	0
Other liabilities	9,287,676	9,164,153
<b>Total liabilities</b>	<b>180,794,845</b>	<b>172,034,150</b>
<b>EQUITY</b>		
Share capital	18,434,350	18,434,350
Retained earnings	23,793,086	22,627,633
Share-based payments reserve	111,003	111,003
Revaluation reserve for financial assets at fair value through other comprehensive income	30,928	54,786
Revaluation reserve for land and buildings	314,431	314,431
<b>Total equity</b>	<b>42,683,798</b>	<b>41,542,203</b>
<b>Total liabilities and equity</b>	<b>223,478,643</b>	<b>213,576,353</b>

*Note1:* Additional information on loan portfolio volumes provided by HSBC Group

	<b>31.03.2020</b>	<b>31.12.2019</b>
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	74,586,605	55,589,654
<b>Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>203,770,463</b>	<b>174,511,451</b>
<b>Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>298,065,248</b>	<b>269,166,007</b>

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan

«15» April 2020





**Interim Financial Statements**  
**Statement of Cash Flows**

«31» March 2020

**HSBC Bank Armenia CJSC**

Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

<i>In thousands of Armenian Drams</i>	<b>01.01.20- 31.03.20</b>	<b>01.01.19- 31.03.19</b>
<b>Cash flows from operating activities</b>		
Interest income calculated using the effective interest method received	2,702,649	2,488,723
Interest paid	-655,070	-824,016
Fees and commissions received	452,331	473,000
Fees and commissions paid	-100,491	-146,237
Income paid from financial derivatives	38,700	-83,026
Income received from trading in foreign currencies	314,870	154,015
Net other operating income received	36,799	-4,807
Staff costs paid	-1,730,337	-1,524,680
Administrative expenses paid	-502,261	-316,661
Income tax (paid)/received	0	0
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>557,190</b>	<b>216,311</b>
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-162	-233
- loans and advances to banks	-270,939	3,533,698
- loans and advances to customers	-5,741,480	-7,586,919
- other assets	291,674	1,103,845
<i>Net increase/(decrease) in:</i>		
- due to other banks	-4,004	-341,292
- current accounts and deposits from customers	2,817,379	-1,070,200
- other liabilities	-95,134	-13,807
<b>Net cash used in operating activities</b>	<b>-2,445,476</b>	<b>-4,158,597</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, equipment and intangible assets	-15,350	-517,210
Proceeds from disposal of property, equipment and intangible assets	0	0
Acquisition of debt securities at fair value through other comprehensive income	-8,934,240	-5,009,272
Proceeds from redemption of debt securities at fair value through other comprehensive income	4,041,131	3,423,087
Acquisition of debt securities carried at amortised cost	-959,014	-558,337
Proceeds from redemption of debt securities carried at amortised cost	2,775,488	3,161,870
<b>Net cash (used in)/from investing activities</b>	<b>-3,091,985</b>	<b>500,138</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>936,698</b>	<b>-18,597</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-4,600,763</b>	<b>-3,677,056</b>
Cash and cash equivalents at the beginning of the year	38,991,586	42,617,095
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>34,390,823</b>	<b>38,940,039</b>

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan



«15» April 2020